

Message Text

PAGE 01 STATE 175901

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FM SECSTATE WASHDC

TO AMEMBASSY KINGSTON IMMEDIATE

AMEMBASSY PARAMARIBO

AMEMBASSY SANTO DOMINGO

AMEMBASSY GEORGETOWN

UNCLAS STATE 175901

E.O. 11652: GDS

TAGS:PFOR, JM, NS, DR, GY

SUBJECT: NOON PRESS BRIEFING: QUESTIONS ON CORPORATE
POLITICAL CONTRIBUTIONS

1. FOLLOWING IS VERBATIM TRANSCRIPT OF PORTION OF NOON
PRESS BRIEFING, DEALING WITH NEW YORK TIMES JULY 15 STORY
ABOUT ALCOA POLITICAL PAYMENTS ABROAD:

2. QUOTE: Q.--APPARENTLY ALCOA FILED A REPORT WITH THE
SEC IN WHICH IT STATED THAT AN UNNAMED U.S. AMBASSADOR
SOLICITED PAYMENTS, IF NOT A BRIBE. HAVE YOU CHECKED INTO
THAT, AND CAN YOU SHED ANY LIGHT ON WHO THE AMBASSADOR
MIGHT BE?

A.--FIRST, WE RECEIVED A COPY OF THE SEC REPORT WHICH HAD
BEEN FILED BY ALCOA. AND AS SOON AS WE RECEIVED IT, WE
LOOKED INTO IT AND ARE CONTINUING TO LOOK INTO IT. WE
HAVE FOUND NO RECORD OR NO INDEPENDENT CORROBORATION OF
ANY SUCH TRANSACTIONS. I WOULD--
UNCLASSIFIED

PAGE 02 STATE 175901

Q.--WHAT DOES THAT MEAN?

A.--WE HAVE--

Q.--WHAT--DID YOU ASK THE GUY IF HE ASKED FOR A BRIBE, OR
WHAT? (LAUGHTER.)

A.--IT MEANS THAT WE HAVE NOTHING THAT WOULD SUGGEST THAT
IF ANY SUCH STEP WAS TAKEN BY ANY UNITED STATES AMBASSADOR
THAT IT WAS DONE WITH THE KNOWLEDGE OR APPROVAL OF THE
STATE DEPARTMENT.

Q.--WELL, THAT DOESN'T REALLY GET TO THE HEART OF THE
MATTER--WHICH WOULD BE THE PRESENT STATUS AND FUTURE OF
THE AMBASSADOR.

A.--WELL--

Q.--IS THERE AN INVESTIGATION INTO THIS TO DETERMINE
WHETHER AN AMERICAN AMBASSADOR ASKED FOR PAYMENT FROM
ALCOA?

A.--YES, THERE IS.

Q.--ARE YOU--

Q.--SO YOU'RE NOT SATISFIED SO FAR. YOU DO THINK THAT
THIS NEEDS FURTHER LOOKING INTO.

A.--WE ARE LOOKING INTO IT--RIGHT.

Q.--ARE YOU INVESTIGATING EVERYBODY OR ARE YOU INVESTI-
GATING JUST ONE SPECIFIC EMBASSY AND AMBASSADOR?

A.--WE HAD NO REASON TO SUPPOSE THAT THERE IS ANYTHING
ELSE INVOLVED OTHER THAN WHAT ALCOA STATED IN ITS REPORT.

Q.--YES, BUT ALCOA DIDN'T SPECIFY--RIGHT?

A.--YES, BUT IT HAS INDICATED ONE SPECIFIC INSTANCE IN
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PAGE 03 STATE 175901

THE REPORT.

Q.--YOU ARE FOCUSING ON THAT ONE?

A.--RIGHT.

Q.--AND YOU KNOW INDEPENDENTLY. HOW DID YOU FIND OUT
WHICH COUNTRY WAS IN QUESTION?

A.--WE KNOW WHICH COUNTRY IS INVOLVED. HOW WE FOUND THAT
OUT, I AM NOT SURE BECAUSE IT WAS NOT INDICATED IN THE
REPORT, AND WE ARE LOOKING--

Q.--ARE YOU GOING TO TELL US WHICH COUNTRY IS INVOLVED?

A.--I AM NOT ABLE TO INDICATE THAT TODAY. WE ARE LOOKING INTO IT, BUT I AM NOT ABLE TO ANNOUNCE THAT COUNTRY TODAY.

Q.--WILL YOU TELL US ULTIMATELY?

A.--PARDON ME?

Q.--WILL YOU TELL US ULTIMATELY WHICH COUNTRY IS INVOLVED?

A.--I HOPE THAT WE WILL BE ABLE TO, YES.

Q.--WAIT A MINUTE. YOU SAY THAT YOU KNOW WHAT COUNTRY IS INVOLVED AND, THEREFORE, YOU KNOW WHAT PEOPLE TO QUERY WHO WERE IN THE EMBASSY AT THE TIME, BUT YOU DON'T KNOW THIS FROM THE SEC REPORT. THIS SUGGESTS THAT YOU KNOW IT FROM AN IN-HOUSE INVESTIGATION OR WHAT?

A.--FIRST, WE DID NOT KNOW ABOUT THE INCIDENT UNTIL WE HAD RECEIVED A COPY OF THE REPORT--UNTIL WE HAD BEEN INFORMED OF IT.

Q.--YES.

A.--AND THEN WE CHECKED FURTHER WITH THE SEC.

Q.--WELL, THEY TOLD YOU?
UNCLASSIFIED

PAGE 04 STATE 175901

A.--YES. I ASSUME THAT IS WHERE WE FOUND OUT, BECAUSE THERE IS NO EVIDENCE OR INDICATION OF IT IN ANY RECORDS OR FILES OF THE DEPARTMENT.

Q.--BOB, JUST TO GET ONE THING STRAIGHT, IS IT THE SEC REPORT ITSELF WHICH SAYS WHICH COUNTRY AND AMBASSADOR ARE INVOLVED?

A.--NO. IT IS NOT AN SEC REPORT; IT IS A REPORT FILED BY ALCOA.

Q.--RIGHT. WELL, IN THAT ALCOA REPORT IT DOES NOT SAY?

A.-- IT IS NOT IDENTIFIED, NO.

Q.--IS THE AMBASSADOR IDENTIFIED?

A.-- NO.

Q.--DO YOU KNOW WHO THE AMBASSADOR IS?

A.--YES.

Q.--WAS IT A CAREER AMBASSADOR OR POLITICAL APPOINTEE?

A.--I REALLY THINK I AM GOING TO HAVE TO STOP TODAY AT THIS POINT.

Q.--WHO CONDUCTS SUCH AN INVESTIGATION WHEN YOU SAY WE'RE INVESTIGATING?

A.--NO. IT WOULD BE--THIS KIND OF QUESTION--THE NORMAL OFFICE WHICH WOULD BE IN LIAISON WITH THE SEC WOULD BE THE LEGAL ADVISER'S OFFICE.

Q.--SO THERE ISN'T A SPECIAL TASK FORCE. I MEAN, THE LEGAL PEOPLE ARE IN TOUCH WITH THE SEC--

A.--RIGHT.

UNCLASSIFIED

PAGE 05 STATE 175901

Q.---AND HOW DOES IT GO ON FROM THERE--I MEAN SO FAR AS GOING INTO THE FIELD?

A.--FROM THAT POINT THEN, THE STATE DEPARTMENT WILL DO WHAT IT NEEDS TO DETERMINE THE FACTS.

Q.--SO WHEN YOU SAY "INVESTIGATION," YOU MEAN THERE'S BEEN DISCUSSION OR CONSULTATION BETWEEN THE LEGAL OFFICE AND THE SEC. THAT'S WHAT'S GONE ON SO FAR, RIGHT?

A.--WE HAVE LOOKED INTO OUR OWN FILES, BARRY--

Q.--YES.

A.---WHICH I INDICATED, IN THE FIRST INSTANCE--

Q.--ALL RIGHT.

A.---AND I SAID THERE IS NOTHING OF ANY RECORD HERE THAT CONFIRMS IT.

Q.--I UNDERSTAND THAT. I'M JUST TRYING TO UNDERSTAND WHAT'S GOING ON. BUT NOBODY, THEN, HAS GONE OUT AND QUESTIONED ANY PARTICULAR PERSON OR ANY PEOPLE THAT HAVE WORKED WITH THIS POTENTIAL SUSPECT.

A.--I WOULD NOT EXCLUDE THAT, BUT I DO NOT KNOW IT.

Q.--HAVE YOU ASKED THE AMBASSADOR, SINCE YOU KNOW WHO IT IS, IF HE SOLICITED AND TOOK THIS PAYMENT?

A.--I AM JUST GOING TO HAVE TO SAY THAT WE ARE LOOKING INTO IT.

Q.--AT WHAT POINT DOES THIS BECOME A CRIMINAL INVESTIGATION?

A.--I DO NOT THINK AT THIS POINT THERE IS ANY SUGGESTION THAT THERE IS ANY CRIMINAL

Q.--DOES THE DEPARTMENT HAVE TO DECIDE WHETHER THERE MAY BE ONE BEFORE THE JUSTICE DEPARTMENT?
UNCLASSIFIED

PAGE 06 STATE 175901

A.--NO. THE JUSTICE DEPARTMENT IS AN INDEPENDENT AGENCY. THERE IS NO SUGGESTION OF THAT. AND I DO NOT BELIEVE THAT THE EXACT ROLE OF THE AMBASSADOR IS ALL THAT CLEAR. I THINK ALCOA MADE A STATEMENT--I HEARD ABOUT IT JUST BEFORE I CAME IN--THEY SAID THE ROLE OF THE AMBASSADOR WAS INCIDENTAL.

I ALSO UNDERSTAND THAT ALCOA STATED THAT POLITICAL CONTRIBUTIONS IN THE COUNTRY CONCERNED ARE LEGAL.

Q.--BOB, HAS THE SECRETARY BEEN GIVEN A REPORT, OR IS HE BEING KEPT CLOSELY INFORMED AT THIS POINT?

A.--YES, HE IS.

Q.--BUT, BOB, DOESN'T THIS INVOLVE THE FIRST CASE IN WHICH IT HAS BEEN ALLEGED--AND PERHAPS DOCUMENTED--THAT THE EMBASSY IN THE COUNTRY INVOLVED HAD KNOWLEDGE THAT BRIBES WERE GOING ON, IRRESPECTIVE OF WHETHER IT MAY OR MAY NOT HAVE BEEN LEGAL IN THAT COUNTRY?

A.--OR WHETHER IT MAY OR MAY NOT HAVE BEEN A BRIBE.

Q.--YES.

A.--BUT, IN ANY CASE, YES, THIS IS THE FIRST INSTANCE OF AN AMBASSADOR ALLEGEDLY SOLICITING MONEY.

Q.--BOB, THERE ARE TWO QUESTIONS WHICH I'M NOT CLEAR ABOUT. IF THIS ALCOA REPORT DOES NOT INDICATE THE COUNTRY OR THE AMBASSADOR--

A.--YES.

Q.---YOU ALSO SAY--THEN YOU SAY THERE IS NO INDEPENDENT CORROBORATION OF ANY OF THESE ACTIONS. HOW DO YOU FIND OUT WHAT THE COUNTRY AND THE AMBASSADOR ARE?

A.--YES, BUT WE FOUND THAT OUT, OBVIOUSLY--IT IS MY UNDERSTANDING--FROM THE SEC. WE HAD NO INDEPENDENT
UNCLASSIFIED

PAGE 07 STATE 175901

INFORMATION OURSELVES.

Q.--YOU HAVE INFORMATION THEN FROM THE SEC THAT'S INDEPENDENT OF THE ALCOA REPORT?

A.--INDEPENDENT OF THE ALCOA REPORT AS FILED WITH THE SEC.

Q.--YES, SO THERE IS SOME INDEPENDENT CORROBORATION WITHIN THE U.S. GOVERNMENT?

A.--BUT NOT WITHIN THE STATE DEPARTMENT.

Q.--OKAY. NOW, THE SECOND THING HERE IS THAT YOU'RE SUGGESTING THAT THE ESSENCE OF THE STORY IS CORRECT, BECAUSE YOU ARE QUICK TO POINT OUT THAT IF ANY SUCH STEP WERE TAKEN IT WAS CERTAINLY TAKEN WITHOUT THE KNOWLEDGE AND APPROVAL OF THE DEPARTMENT.

A.--I HAVE NO REASON TO QUESTION OR DOUBT THE ALCOA REPORT. WHAT I AM SAYING IS THAT WE HAD NO INFORMATION IN OUR OWN FILES WHICH CONFIRMED IT.

Q.--NOW, IF A CAREER AMBASSADOR WERE TO DO SOMETHING LIKE WHAT ALCOA SAYS HE DID, HOWEVER INCIDENTAL HIS ROLE, HOW DOES THAT FIT IN WITH YOUR UNDERSTANDING OF THE FUNCTIONING OF A CAREER AMBASSADOR? PERHAPS A POLITICAL APPOINTEE MIGHT DO THAT.

A.--I DO NOT THINK THERE IS, TO MY KNOWLEDGE, ANY DISTINCTION IN CODES OF CONDUCT BETWEEN CAREER AND NON-CAREER AMBASSADORS.

Q.--YOU ASSUME THE SAME CONDUCT FROM BOTH?

A.--OF COURSE.

Q.--AND YOU CAN'T TELL US WHETHER THIS MAN IS A CAREER PERSON?

A.--NO, I CANNOT. NOT TODAY.
UNCLASSIFIED

PAGE 08 STATE 175901

Q.--DO WE KNOW WHEN THIS OCCURRED?

A.--I DO NOT HAVE THAT. I THINK THE REPORT INDICATES IT WAS SEVERAL YEARS AGO.

Q.--BOB, IF THIS IS INDEED--I KNOW IT IS A LONG WAY FROM THAT--BUT IF IT TURNS OUT TO INVOLVE BRIBERY, WOULD THE MAN UNDER CURRENT REGULATIONS OR LAW BE SUBJECT TO

CRIMINAL PROSECUTION HERE OR DISCIPLINARY DEPARTMENT ACTION? I MEAN, WHAT COVERS IT? I KNOW WE ARE TALKING RIGHT NOW ABOUT THE HYPOTHETICAL.

A.--AS I WAS REALLY ONLY ADVISED OF IT THIS MORNING, I THINK I HAD BETTER WAIT AND SEE UNTIL WE GET SOME MORE FACTS.

Q.--ALL RIGHT, BUT I MEAN YOU WILL BE DEALING WITH THIS I AM SURE OVER THE NEXT DAYS, SO MAYBE YOU CAN ASK THE LEGAL AFFAIRS OFFICE.

Q.--DO YOU KNOW IF THIS IS WITHIN THE REACH OF THE LAW, OR IS IT JUST A DISCIPLINARY ACTION--IF INDEED IT TURNS OUT TO BE--

A.--I WILL HAVE TO GET A LEGAL ANSWER TO THAT ONE.

Q.--BOB, DO YOU KNOW WHETHER ALCOA'S DESCRIPTION OF THE AMBASSADOR'S ROLE IS IN FACT INCIDENTAL?

A.--I WAS INFORMED JUST BEFORE I CAME DOWN THAT--I ASSUME IT IS CORRECT--I WAS HANDED THIS STATEMENT WHICH ALCOA ISSUED TODAY. I HESITATED TO READ SUCH A STATEMENT INTO OUR RECORD. BUT APPARENTLY ALCOA ISSUED A STATEMENT TODAY SAYING THAT THE AMBASSADOR WAS ONLY INCIDENTAL IN THE EVENT AND THAT THEY HAD NO REASON TO BELIEVE THAT HE THOUGHT THAT THE GRANT WAS TO BE USED FOR ANY OTHER PURPOSE THAN AN EDUCATIONAL FUND.

I WILL MAKE THIS FULL STATEMENT AVAILABLE AFTER THE BRIEF-UNCLASSIFIED

PAGE 09 STATE 175901

ING.

Q.--WELL, COULD YOU ADDRESS YOURSELF TO MY QUESTION?

DOES THE DEPARTMENT AGREE WITH THE ALCOA STATEMENT THAT THE AMBASSADOR'S ROLE WAS INCIDENTAL?

A.--I AM NOT ABLE YET TODAY UNTIL WE LOOK INTO THIS FURTHER.

Q.--BOB, HAVE YOU DISCUSSED ANY OF THIS WITH THE WHITE HOUSE, WITH SECRETARY RICHARDSON'S COMMITTEE WHO IS INVESTIGATING CORPORATE BRIBERY OVERSEAS, OR WITH SENATOR PROXMIRE, WHO IS ALSO PLANNING SOME LEGISLATION ON THE SAME THING?

A.--THE PRIMARY RESPONSIBILITY IN THE FIRST INSTANCE IS WITH THE SEC. I DO NOT KNOW WITH WHOM THE SEC HAS BEEN

IN CONTACT.

Q.--WELL, SECRETARY RICHARDSON SAID THERE WAS NO AGENCY
AS YET IN TOTAL CONTROL OF THIS KIND OF THING.

A.--YES. I DO NOT KNOW WITH WHOM THE SEC HAS BEEN IN
CONTACT. AND I DO NOT KNOW WITH WHOM WE HAVE BEEN IN CON-
TACT. BUT I ASSUME THAT IN THE PROCESS OF INFORMING US,
THE SEC HAS INFORMED OTHER GOVERNMENT DEPARTMENTS AS
WELL. UNQUOTE. KISSINGER

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